



STATE OF MAINE
OFFICE OF THE STATE TREASURER

39 State House Station, Augusta, ME 04333-0039
www.maine.gov/treasurer

DAVID G. LEMOINE
State Treasurer

BARBARA M. RATHS
Deputy Treasurer

Maine Receives Highest-Quality Credit Designation from NAIC

May 17, 2010

Augusta, Maine – State Treasurer David Lemoine reports that Maine has received the highest quality “NAIC-1” designation as the first state in the nation to seek and receive an original-issue credit opinion from the National Association of Insurance Commissioner’s (NAIC) Securities Valuation Office.

“I asked the NAIC to review original-issue Maine bonds this year because I believe their evaluation process best reveals the security and dependability of Maine’s constitutionally-guaranteed debt payment promise,” said Treasurer Lemoine. “I am hopeful that other state treasurers and municipal bond issuers will begin seeking original-issue opinions from this non-profit ratings service, and that fixed income investors beyond the insurance industry will come to recognize its value as a tool for judging default risks,” he added. “Taxpayers will benefit from lower borrowing costs if investors more fully appreciate the security that state bonds represent,” noted Lemoine.

The State also expects to receive ratings from Moody’s and S&P.

Monday’s NAIC-1 designation was acquired in anticipation of a May 24th order period for approximately \$58.2 million in State of Maine general obligation bonds. The senior underwriter will be Wells Fargo Securities.

The “NAIC-1” designation is assigned to obligations exhibiting the highest quality. Credit risk is at its lowest and the issuer’s credit profile is stable. This means that interest, principal or both will be paid in accordance with the contractual agreement and that repayment of principal is well protected.

The National Association of Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. Formed in 1871, NAIC is the oldest association of state officials. Through its Securities Valuation Office (SVO) located on Wall Street in New York City, NAIC assesses the credit quality and valuation of securities owned by state regulated insurance companies in order for members to monitor the financial condition of its domiciliary insurers.

NAIC rates over 10,000 individual issuers (corporate, municipal, structured) representing approximately \$650 billion of insurance company investment holdings.

#